

CHARITABLE GAMING HIGHLIGHTS

2003 Volume 16, No. 2



Annual Charity Game Ticket Licensees: Loose Controls = Lost Revenue



The **principal officer** of your organization is responsible for accounting for charity game ticket proceeds and ensuring their deposit. If there is a lack of control and oversight, your organization might not see the money that is lawfully theirs. The bureau recommends the principal officer conduct the following quarterly review of the charity game ticket program (*independent of the record keeper or chairperson*) to ensure its integrity:

1. Obtain the Charity Game Ticket Reconciliation form (BSL-CG-1718). This can be downloaded from our web site at www.michigan.gov/cg or you can request a copy by calling our main number at 517.335.5780.
2. At the beginning of each quarter, count all tickets in inventory.
 - If you've never counted tickets before, enter today's ticket count in the **Beginning Inventory** column on the reconciliation form. Wait until next quarter to continue.
 - Otherwise, ensure last quarter's ticket count is entered as the **Beginning Inventory** and enter today's ticket count as **Ending Inventory** on the reconciliation form.
3. Collect all the Charity Game Ticket Accountability forms (BSL-CG-1362) for the quarter.
4. From the accountability forms for the quarter, total all **Ticket Sales** and total all **Prizes**.
5. On the reconciliation form is a line for totals from **Charity Game Ticket Cash Accountability form**. Enter the total **Ticket Sales** and total **Prizes** on that line.
6. Collect all the charity game ticket invoices for the quarter.
7. Using the invoices for the quarter, total the charity game tickets purchased for each game. Enter each total in the **Purchases** column on the reconciliation form.
8. On the reconciliation form, calculate across the page for each game.
9. Compare the **Ticket Sales** and **Prizes** from the **Reconciliation Column Totals** line with the totals from the **Charity Game Ticket Cash Accountability form** line. Record the difference.

If you find significant discrepancies during this review, contact your inspector for further instructions. If you have any questions on how to complete the form, call 517.335.5790. Additional controls can be found in the Ticket Process Review on page 3.

Frequently Asked Questions

Our organization just bought a new computer. Can we use it to complete our game records or financial statements?



The Computer-Assisted Record Keeping Directive 1.01.01 addresses this question with the following terms and conditions for the use of a computer:

- The organization must obtain **prior written approval** from the bureau to use the computer.
- Computer-generated game records and financial statements must include all information contained in the corresponding bureau form.
- Computerized game records and financial statements must be in the same format as the Bureau's game records and financial statements.
- When the bureau updates a form, the licensee must also update their form.
- Entries shall be made on the computer as each transaction is completed. (You may **not** complete the forms on paper and then enter them into the computer.)
- You must have an adequate backup system in case of a power failure.
- All game forms must be printed at the end of the bingo occasion and signed by the chairperson.
- Separate approval must be obtained before a licensee may use a computer to prepare the quarterly financial statements.

Our game forms and the directive are both available on the Charitable Gaming web site. Please visit our web site at www.michigan.gov/cg.

If you have any questions on computerized game records, call 517.335.6736.

**CHARITABLE GAMING
HIGHLIGHT\$**

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New Ticket...

Michigan Casino Cash



- * \$1 ticket
- * Casino symbols
- * Multiple winners
- * Top prizes \$170
- * 1,920 tickets
- * \$297 in net profit

Annual Charity Game Ticket Licensees: Ticket Process Review



Various officers of the Charity Game Ticket licensee should conduct random reviews of the charity game ticket process. This will tighten up the accountability of charity game tickets.

1. For each week,
 - Has the CGT Accountability form (BSL-CG-1362) been completed?
 - Was a *physical* inventory of all charity game tickets taken?
 - Were charity game ticket proceeds deposited?
2. Regarding the CGT Accountability form,
 - Is it complete and accurate?
 - Do the ending inventory counts for one week carry over to the beginning inventory counts for the next?
 - Does the % Payout average 75% over time?
 - Is the calculated deposit the same as the actual amount deposited?
3. Is access to the ticket machine keys limited? The fewer people with access to the ticket machine the better. Anyone with access to the office may have access to the keys for the machine, safe, or bank bags.
4. Are serial numbers of redeemed tickets being verified? A list should be near the cash registers so bartenders can quickly verify the larger prize winners.
5. Is start cash consistent? Start cash should be established at a set amount that is sufficient for redeeming winning tickets.
6. Is all charity game ticket money kept separate from bar money?
7. Is an independent reconciliation of the bartender's CGT transactions being conducted? The value of the redeemed tickets plus the ending start cash should equal the bartender's beginning start cash.
8. Does the person who balances the bartenders destroy redeemed tickets immediately after bartenders have been reconciled? For a quick method, throw them into a bucket of water. After a couple minutes, they won't be good to anyone.

If you answered "No" to any of the above questions, there is potential for loss of charity game ticket proceeds. If you think you have a problem, contact your inspector or call our office at 517.335.5790. We can help you in losses and may keep you from losing your charity game ticket license.

Faxing to a Paperless Office

Documents that are faxed to our office are not printed by our fax machine; instead, they are sent into the electronic document system and viewed on a computer screen. Keeping this in mind, there are special considerations you can take to ensure the successful transmission of your documents.



1. Complete documents in blue or black ink. Documents filled out with pencil or a light colored pen may appear blank.
2. Feed documents into your fax machine as you would read them—top of page first. If you feed bottom first we receive the fax upside-down. (This means it's displayed on the screen upside-down).
3. Be sure to fax the correct side. We receive many blank faxes.
4. Fax your documents in the correct order (page 1 first).
5. MOST importantly, do not send a two-sided statement as two separate documents. If you cannot send both pages as a single fax, mail your financial statement.
6. Allow us time to process your fax before calling to inquire on the status. (See the following article for more information.)

Allow Processing Time

Whether a form is being mailed into the office or faxed to us, often a phone call is made the moment the document is expected to show up in the office. Unfortunately, both mailed documents and faxed documents require some processing time before we are able to even look at them.



When a sheet of paper is faxed it reaches us quicker than a mailed document, but it still must be electronically processed. To give you an idea of the volume of paper that is processed, more than 7,000 pages are scanned into the system each month.

Finding your document is very difficult until it has made its way through the system. Please allow us at least five days to process your document before calling for status information. This will free up the time spent on the phone for more important things—like processing your document.

A New Face

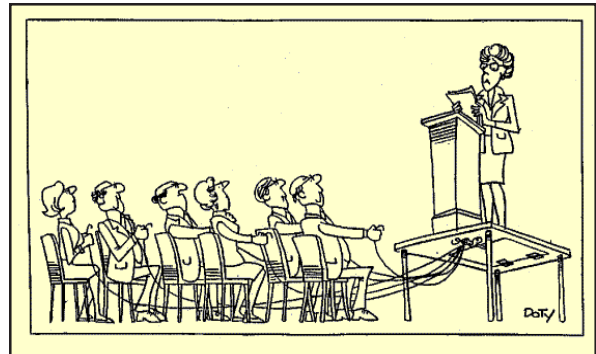
T.J. Henning has been hired as an inspector for District 4. District 4 territory includes Ingham, Eaton, Ionia, Kent, Jackson, Clinton, Gratiot, and Montcalm Counties.

T.J. most recently worked with the Department of Corrections as a Prison Counselor. He received his bachelor's degree in Criminal Justice from Michigan State University. For all of those Spartan fans in District 4, T.J. played football with the Spartans for three years.



Area Training Meetings

Charitable Gaming inspectors conduct statewide training sessions for licensees covering topics such as record keeping, rules, and accountability. It is our hope that by publishing these locations and times in advance, if you are unable to attend a training session scheduled in your immediate area, you will have an opportunity to attend another one nearby. As always, we encourage you to attend so that you may be aware of the latest news and requirements.



The following training meetings will be covering electronic bingo and the latest amendments to the rules. All meetings are scheduled for 6:30 p.m.

Date	County	Hosting Organization	Inspector
January 14	Kent	UAW Local 1231 4269 Alpine NW Comstock Park	T.J. Henning
February 10	Marquette *	VFW 5670 54 North Mitchell Gwinn	Jim Curtis
February 11	Chippewa *	Chippewa Lions Club Chippewa Twp Emergency Bldg M-28 Strongsville	Jim Curtis
March 9	Van Buren	Paw Paw Lions 59050 County Rd 665 Paw Paw	Ann White
April 22	Grand Traverse *	VFW 2780 3400 Veterans Drive Traverse City	Judy Houghtaling
May 13	Wayne	Taylor Democratic Club 23400 Wick Road Taylor	Bill Clay

* These meetings will also include training on bingo, raffles, millionaire parties, and annual charity game tickets.

Administrative Action

Suspended Licenses

Organization Name	City	Violation(s)	Length	Date	License
EAGLES 4104 AUXILIARY	Wayne	Failure to maintain all game records; worker pay exceeds limits or worker records are incomplete; failure to account for all verification slips; failure to maintain accurate/current records; proceeds not deposited timely; failure to maintain inventory records of disposable bingo cards.	4 weeks	5/11/2003	Bingo
EAGLES 3619	St. Clair Shores	Failure to account for all funds; failure to maintain accurate/current records.	1 week	5/25/2003	Annual CGT
VFW 671	Dewitt	Failure to account for all funds; failure to maintain accurate/current records.	3 weeks	6/1/2003	Annual CGT
EAGLES 1907	Coldwater	Failure to account for all funds; failure to maintain accurate/current records.	10 weeks	6/1/2003	Annual CGT
EAGLES 3430	Sparta	Failure to account for all funds; failure to maintain accurate/current records.	3 weeks	6/1/2003	Annual CGT
AMERICAN LEGION 216	Milford	Failure to account for all funds; failure to maintain accurate/current records.	2 weeks	6/8/2003	Annual CGT
MLBA GREATER MUSKEGON COUNTY	Muskegon	Worker pay exceeds legal limits.	4 weeks	6/8/2003	Bingo
LAWTON LIONS CLUB	Lawton	Failure to follow the Michigan progressive jackpot bingo game directive; failure to account for all inventory.	2 weeks	6/15/2003	Bingo
FRIENDS OF EDUCATION	Muskegon	Bingo proceeds used for purposes not included in organization's bylaws.	1 week	6/29/2003	Bingo
KELLOGGSVILLE LITTLE LEAGUE	Wyoming	Failure to account for all funds; failure to maintain accurate/current records.	3 weeks	6/29/2003	Bingo
FRIENDS OF EDUCATION	Muskegon	Bingo proceeds used for purposes not included in organization's bylaws.	1 week	7/6/2003	Bingo
EAGLES 3306	Muskegon	Failure to account for all funds.	4 weeks	7/13/2003	Annual CGT
VFW 2780	Traverse City	Failure to account for all funds; failure to maintain accurate/current records.	7 weeks	7/13/2003	Annual CGT
VFW 2780	Traverse City	Game program inaccurate and/or incomplete; worker pay records incomplete; failure to maintain accurate/current records; proceeds not deposited in a timely manner; failure to maintain inventory records of disposable bingo cards.	2 weeks	7/13/2003	Bingo
AMVETS 1978	Niles	Failure to maintain all game records; failure to account for all funds.	8 weeks	8/10/2003	Annual CGT
FLINT BLIND BOWLERS	Flint	Worker pay records incomplete; failure to maintain accurate/current records; failure to maintain inventory records of disposable bingo cards.	1 week	8/17/2003	Bingo
EAGLES 3689	Brooklyn	Failure to account for all funds; failure to maintain accurate/current records.	1 week	8/24/2003	Annual CGT
EAGLES 2254	Monroe	Game program inaccurate and/or incomplete; failure to maintain accurate/current records; failure to maintain accurate/current inventory record of disposable bingo cards.	5 weeks	8/24/2003	Bingo
AMERICAN LEGION 360	Reading	Failure to maintain all game records; failure to account for all funds.	8 weeks	8/24/2003	Annual CGT
MOORE NONPROFIT HOUSING CORP.	Lansing	Failure to account for all funds; failure to maintain accurate/current records.	4 weeks	8/30/2003	Bingo
MOOSE 158	Port Huron	Failure to account for all funds; failure to maintain accurate/current records.	4 weeks	8/31/2003	Annual CGT
AMERICAN LEGION 193	Luna Pier	Illegal gambling in the form of video poker.	4 weeks	8/31/2003	All

Administrative Action (continued)

Suspended Licenses

Organization Name	City	Violation(s)	Length	Date	License
EAGLES 1907	Coldwater	Incomplete worker pay records; failure to account for all inventory.	1 week	9/7/2003	Bingo
MOORE APARTMENT NONPROFIT HOUSING CORP.	Lansing	Failure to account for all funds; failure to maintain accurate/current records.	1 week	9/28/2003	Bingo
MOORE APARTMENT NONPROFIT HOUSING CORP.	Lansing	Failure to account for all funds; failure to maintain accurate/current records.	5 weeks	10/5/2003	Bingo
VFW 422	Delton	Failure to maintain accurate/current records.	3 weeks	10/5/2003	Annual CGT
AMERICAN LEGION 175	Saranac	Failure to account for all funds; failure to maintain accurate/current records.	6 weeks	10/12/2003	Annual CGT
MOORE NONPROFIT HOUSING CORP.	Lansing	Failure to account for all funds; failure to maintain accurate/current records.	3 weeks	11/9/2003	Bingo

Voluntary Surrender of License

Organization Name	City	Date	License
VFW 4422 Auxiliary Past Presidents	Taylor	4/15/2003	Bingo
Flint Blind Bowlers	Flint	7/8/2003	Bingo



Legal Action



Eagles 3541, Harrison

Larry Ertman, former chairperson, plead guilty to Embezzlement. The 80th District Court sentenced him to serve 93 days in jail, \$1,489.50 in fines and restitution, rehabilitation, and 12 months probation.

More Frequently Asked Questions



NON-PROFIT BINGO HALLS:

We are a nonprofit veterans' organization that rents out its hall for bingo. One of the groups playing is our auxiliary. Can we charge them rent?

Yes, under the following circumstances:

1. The nonprofit veterans' organization has obtained a license to operate as a bingo hall.
2. The hall is approved for the correct number of rental occasions.
3. The related organization has signed an approved contract.

BINGOS:

Can a player play another player's card?

Whether a player can play another player's cards or not is left completely up to the licensee, however, it must be designated in the house rules.

Rule 314 (1) (e), requires that your House Rules include: "Whether or not a person may play another person's bingo cards or make a bingo known to a worker or caller."



Service Compensation Schedule

The following is the amended Service Compensation Schedule that became effective August 11, 2003. This schedule allows the maximum amount listed below to be paid to the chairperson, recordkeeper, the person preparing the financial statement, or other workers. Please note that the maximum amount is NOT mandatory--workers can be paid any amount up to the maximum.

		Maximum Amount
Bingo	Chairperson/recordkeeper	\$50 per occasion
	Person who completes financial statement	\$50 per financial statement
	Other workers	\$30 per occasion
Millionaire Party	Chairperson/recordkeeper	\$50 per day
	Other workers except raffle ticket sellers	\$30 per day
Raffle	Chairperson	\$50 per occasion
	Other workers except raffle ticket sellers	\$30 per occasion
Charity Game Ticket	Chairperson/recordkeeper of annual license	\$100 per week
	Chairperson/recordkeeper of special license	\$20 per day
	Person who completes financial statement	\$20 per financial statement
	Other workers	\$15 per day

Bureau of State Lottery
Charitable Gaming Division
P.O. Box 30023
Lansing MI 48909

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